

## Message Text

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ACTION EB-07

INFO OCT-01 NEA-10 ISO-00 AGR-05 CEA-01 CIAE-00 COME-00

DODE-00 FRB-03 H-02 INR-07 INT-05 L-03 LAB-04 NSAE-00

NSC-05 PA-01 AID-05 CIEP-01 SS-15 STR-04 TAR-01

TRSE-00 USIA-06 PRS-01 SP-02 FEA-00 OMB-01 OIC-02

OPIC-03 /095 W

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R 020935Z JAN 76

FM AMEMBASSY ISLAMABAD

TO SECSTATE WASHDC 3467

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E.O. 11652: N/A

TAGS: ETRD, MTN, PK

SUBJECT: MTN: TROPICAL PRODUCTS NEGOTIATIONS

REF: STATE 287116,

1. IN RESPONSE TO REFTEL, CONGENS KARACHI AND LAHORE  
HAVE CONSULTED LOCAL IMPORTERS, OVERSEAS INVESTORS' CHAMBERS  
AND US FIRMS BUT HAVE BEEN UNABLE TO IDENTIFY TARIFF OR  
NTBS WHICH ARE IMPEDIMENTS TO EXPORT OF US PRODUCTS AND  
SERVICES TO PAKISTAN. FOLLOWING TWO PARAS QUOTED FROM  
LAHORE 1449 TO ISLAMABAD EXPLAINS IN CLEAR, CONSISE  
TERMS THE SITUATION IN PAKISTAN.

2. BEGIN QUOTE. AS REQUESTED IN REFTEL, POST  
CHECKED WITH LOCAL BUSINESSMEN AND IMPORTERS (E.G., AMERICAN  
BUSINESS REPS, TRADERS AND EX-OFFICIALS ACTIVE IN ECONOMIC  
CIRCLES) TO IDENTIFY SPECIFIC GOP TRADE BARRIERS WHICH USG  
MIGHT CONSIDER ASKING PAKISTAN TO REDUCE OR ELIMINATE  
AS TRADE-OFF FOR CONCESSIONS IN MTN. REACTION THAT WE GOT  
WAS THAT THERE ARE NO SPECIFIC TRADE BARRIERS WHICH

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SERIOUSLY LIMIT US'S ABILITY TO TRADE WITH PAKISTAN. IMPORT

OF MOST CONSUMER ITEMS IS BANNED, BUT IT WOULD BE UNREASONABLE FOR US OR ANY OTHER DEVELOPED COUNTRY TO TRY TO HAVE THIS BAN LIFTED IN VIEW OF PAKISTAN'S CONTINUING EFFORT TO PROTECT ITS NASCENT CONSUMER GOODS INDUSTRY.

3. FOR THOSE AUTHORIZED PRODUCTS WHICH DEVELOPED COUNTRIES GENERALL SELL IN PAKISTAN -- CAPITAL GOODS, INDUSTRIAL RAW MATERIALS, FERTILIZERS, PESTICIDES AND FOOD -- US NOW APPEARS TO BE AT NO DISADVANTAGE EXCEPT WHERE TIED LOANS OR SOFT-TERM CREDITS MAKE IT ATTRACTIVE FOR PAKISTAN TO IMPORT FROM SOME OTHER COUNTRY. WE HAVE DETECTED NO PROTECTIONIST SENTIMENT REGARDING ABOVE PRODUCTS, ALTHOUGH THIS PROBABLY COULD ARISE AS MATTER OF OFFICIAL GOP POLICY AS LOCAL INDUSTRY IN THESE FIELDS DEVELOPS. WHERE LARGE GOVERNMENT CONTRACTS FOR MAJOR PROJECTS ARE CONCERNED, US GENERALLY IS ABLE TO COMPETE EFFECTIVELY. END QUOTE.

4. WHILE CONGENS SURVEYED TRADE SOURCES, THE EMBASSY CAREFULLY ANALYZED TIED (BARTER) LIST IN GOP TARIFF SCHEDULE. WE WERE UNABLE TO IDENTIFY ITEMS ON THIS LIST WHICH US MIGHT SELL TO PAKISTAN IF ITEMS WERE ON FREE LIST. THE PAKISTAN TIED LIST INCLUDES THOSE ITEMS WHICH CAN ONLY BE IMPORTED UNDER BILATERAL BARTER AGREEMENTS OR CONCESSIONARY FINANCING ARRANGEMENTS. MANY ITEMS ON THE TIED LIST ARE THOSE FOR WHICH THE US COULD NOT HOPE TO COMPETE. ITEMS APPEARING ON THE TIED LIST CAN IN ANY CASE BE IMPORTED WITHOUT REGARD TO THE TIED LIST RESTRICTIONS WHERE THE ITEMS ARE PART OF A LARGER PACKAGE OF FREE LIST ITEMS OR WHEN FINANCING COMES FROM INTERNATIONAL FINANCIAL INSTITUTIONS. TURN-KEY AND LARGE PROJECTS CAN HAVE TIED LIST EXEMPTIONS WRITTEN INTO CONTRACTS SEPARATELY NEGOTIATED WITH THE GOP. THUS, EXEMPTION FROM TIED LIST RESTRICTIONS CAN BE GRANTED FOR MOST MAJOR US EXPORT TRANSACTIONS WITH PAKISTAN. IN ADDITION, THE GOP HAS REGULARLY REDUCED THE NUMBER OF ITEMS ON THE TIED LIST IN RECENT YEARS AND HAS INDICATED TO THE PAKISTAN CONSORTIUM AN INTENTION TO CONTINUE THIS REDUCTION UNTIL THIS SPECIAL LIST NO LONGER EXISTS.

5. EMB DOES NOT RPT NOT BELIEVE PAKISTAN WILL BE VERY LIMITED OFFICIAL USE

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FORTHCOMING IN RESPONSE TO REQUESTS FOR RECIPROCAL CONCESSIONS IN THE MTN. MINISTRY OF COMMERCE OFFICIALS HAVE STATED ON SEVERAL OCCASIONS UNDERSTANDING THAT AGREEMENTS IN TOKYO EXEMPTED LDCS FROM RECIPROCATING CONCESSIONS IN MTN. GOP OFFICIALS BELIEVE THAT MAJOR MTN NEGOTIATIONS WILL BE BETWEEN DEVELOPED COUNTRIES WITH LDCS MERELY ATTEMPTING TO PROTECT THEIR INTERESTS DURING THESE NEGOTIATIONS ON AN AD HOC BASIS. (PAKISTAN WILL, HOWEVER, SUPPORT LDC INIT-

IATIVES TO GAIN GREATER ACCESS TO DC MARKETS FOR PRIMARY  
COMMODITIES AND SEMI-MANUFACTURES.) PAKISTAN KNOWS  
THAT THE MOST IMPORTANT CATEGORY IN WHICH IT MIGHT BENEFIT  
FROM TARIFF AND NTB LIBERALIZATION (COTTON YARN AND  
TEXTILES) HAS BEEN PLACED OUTSIDE THE MTN. IT ALSO  
RECEIVED LESS THAN HOPED FOR IN THE US GSP. THE GOP  
HAS BEEN PARTICULARLY DISAPPOINTED TO FIND THAT HAND-  
KNOTTED CARPETS ARE APPARENTLY NOT RPT NOT INCLUDED IN  
US GSP.  
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## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** COMMODITIES, TROPICAL PRODUCTS, TARIFF NEGOTIATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 02 JAN 1976  
**Decapton Date:** 01 JAN 1960  
**Decapton Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** morefirh  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976ISLAMA00017  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760001-0314  
**From:** ISLAMABAD  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t19760190/aaaadcgh.tel  
**Line Count:** 125  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 76 STATE 287116  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** morefirh  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 26 MAY 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <26 MAY 2004 by GarlanWA>; APPROVED <26 MAY 2004 by morefirh>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** MTN: TROPICAL PRODUCTS NEGOTIATIONS  
**TAGS:** ETRD, PK, MTN  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006